

## **DSG DEFICIT MANAGEMENT PLAN**

### **REPORT OF THE DIRECTOR OF FINANCE AND CHIEF OFFICER FOR CHILDREN'S SERVICES**

#### **RECOMMENDATIONS**

It is recommended that Schools Forum note the month 8 DSG Deficit Management Plan.

#### **1. Overview**

- 1.1. For 2021/22, the High Needs Block (HNB) has seen additional funding from the Secretary of State of £10.5 million.
- 1.2. This is insufficient to meet the current demand and costs resulting in a projected deficit of £39.1 million at month 8 and a rise since month 6 of £3.1 million.
- 1.3. Department of Education procedures required the authority to submit to them a management plan at the end of July and subsequently held a meeting in August to discuss; the plan which sets out the authority's strategy to reduce the deficit within the Dedicated Schools Grant (DSG) in future years. The Department of Education acknowledges the detailed plan but has stated that it is ambitious.
- 1.4. The DSG Deficit overspend was just under £49.0 million as at the end of 2020/21 and when the forecasted deficit of £39.1 million is added to this the cumulative deficit is £88.1 million to March 2022.
- 1.5. The deficit could have a considerable impact on future education budgets within the DSG as well as impacting on the financial sustainability of the authority and urgent action is required to reduce the demand on Education, Health and Care Plans (EHCPs) and independent placements.
- 1.6. In order to bring the DSG and in particular the HNB within the funding envelope action needs to be taken to improve parent's and young people's lived experience of Special Educational Needs (SEN) support in Devon. This is to be achieved by designing and implementing an integrated service, together with families, to ensure young people receive the right support at the right time. Meeting the child's need earlier and more effectively the authority should see a reduction in the demand for EHCPs.
- 1.7. Management Actions were planned to commence at the start of the financial year, however with the continued impact of the Pandemic it has not been possible to achieve or progress management actions as originally planned. In addition, the 0-25 team are continuing to see increased demands for children with SEND.
- 1.8. With the start of the new academic year, a detailed review of the actions has been undertaken for month 6, this has resulted in £2.9 million being delayed until 2022/23 financial year.
- 1.9. A further £700,000 has been written out in month 8 for the Social and Health Care contributions for Independent Placements.

#### **2. Management Actions**

- 2.1. For 2021/22 management actions that are being taken are
- New resource bases
  - Commencing Outreach initiatives and SEN support
  - Reduction of Independent Sector core costs
  - Cessation of 3-5 year placements in Independent Sector
  - Reduction in demand for EHCPs by supporting children better in mainstream settings.
  - Review of joint funded placement costs
- 2.2. There has been no change to the actions since that reported at month 6 and Appendix A sets out the management actions delivery for 2021/22. Of the £6.2 million savings originally identified £2.8 million is now being forecast to be achieved.

### **3. Medium Term**

- 3.1. For the medium term plan the service will hope to extend the SEN projects that have commenced in 2021/22 along with the continued reduction in the demand for EHCPs through to 2026/27.
- 3.2. Extra places within the mainstream special schools are expected as three special schools are being considered to reduce the demand on the Independent Sector providing around 280 places. The first of which is planning to open in September 2022.
- 3.3. In addition to the Resource Bases opening this year a total of 15 are expected to open across the county to allow more localised access to support and allow access for more complex needs within the special school settings.

### **4. Safety Valve Intervention Programme**

- 4.1. Devon is now part of the 2nd tranche of the Safety Valve Intervention Programme. The initial meeting between the Chief Executive, Director of Children's Services and Director of Finance and representatives from the DfE was held on 14th December. Follow up deep dive meetings with SEN and Finance will take place early 2022 and an initial proposal to be submitted by mid-February.

### **5. Risks**

- 5.1. The Management Plan contains some key risks which could impact on the outcome of the plan.
- Impact of SEN Transformation and in housing of the Education and Inclusion Services Management
  - Engagement of key stakeholders to drive initiatives forward is vital.
  - Ability to prevent the need of more complex support requirements
  - Funding assumed at an annual rise of 8% from 2023/24 onwards. However, this is not secured and may rise or fall through items outside of the LA's control.
  - New special schools need to open as planned and dependent on the DfE opening another round of presumption bids.
  - Regional School Commissioner preventing schools from expanding if they are not expanding within the Academy resulting in delays or Resource Bases not opening
  - Potential delay in fully opening of Okehampton Special School due to ongoing issues with building supplies.

- Further impact of Covid-19 could result in unanticipated delays to projects starting as planned.

## **6. Recommendation**

6.1. That the Schools Forum note the month 8 DSG Deficit management position as set out in the report

**All to Note**

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Management Plan Actions – as at month 8

21/22 DSG Management Plan savings / Cost reductions Workstream / Management Action	21/22	21/22	21/22	Previous Delivery RAG	Current Delivery RAG	22/23	23/24	24/25	25/26	Total
	Targeted Savings £'000	Forecast Deliverable amount £'000	Forecast Non Deliverable amount £'000			Targeted Savings £'000	Targeted Savings £'000	Targeted Savings £'000	Targeted Savings £'000	Targeted Savings over 5 years £'000
<b>4.1 New Specialist Provision</b>										
Okehampton Special School Opening Sept 2022	0	0		●	●	(467)	(1,667)	(833)	0	(2,967)
Marland Day additional Opening Sept 2022	0	0		●	●	(467)	(333)	0	0	(800)
Lampard additional Opening Sept 2022	0	0		●	●	(507)	(827)	(400)	0	(1,733)
South/West Devon Special School Opening Sept 2023	0	0		●	●	0	(700)	(1,550)	(250)	(2,500)
2 day provision schools - More complex needs open Sept 2024	0	0		●	●	0	0	(350)	(950)	(1,300)
Tiverton - Haven Centre - Sept 2022	0	0		●	●	(243)	(578)	(404)	0	(1,224)
<b>New Specialist Provision</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>(1,683)</b>	<b>(4,104)</b>	<b>(3,538)</b>	<b>(1,200)</b>	<b>(10,524)</b>
<b>4.2 Support Centre Expansion</b>										
Support Centre Expansion	(456)	(380)	76	●	●	(1,541)	(1,079)	(771)	0	(3,771)
<b>Support Centre Expansion total</b>	<b>(456)</b>	<b>(380)</b>	<b>76</b>			<b>(1,541)</b>	<b>(1,079)</b>	<b>(771)</b>	<b>0</b>	<b>(3,771)</b>
<b>4.3 SEN 100 Project</b>										
Outreach support in special schools - supporting 250 schools across the year (Year 1: supporting 50 children; Year 2-5 supporting 100 children)	(776)	(372)	404	●	●	(2,495)	(2,489)	(2,483)	(2,483)	(10,322)
Outreach support to reduce need for EHCPs (Year 1-2 : Supporting 80 children; Year 3 supporting 120 children)	(518)	(518)	0	●	●	(1,380)	(2,038)	(2,005)	(1,972)	(7,913)
SEN Support Service - (Year 1: Supporting 72 children to stay in Mainstream)	(840)	(30)	810	●	●	(1,532)	(1,516)	(1,500)	(1,484)	(6,062)
Teacher Training Sessions	0	0	0	●	●	0	0	0	0	0
Helpline	0	0	0	●	●	0	0	0	0	0
<b>SEN 100 Project total</b>	<b>(2,134)</b>	<b>(920)</b>	<b>1,214</b>			<b>(5,407)</b>	<b>(6,043)</b>	<b>(5,988)</b>	<b>(5,939)</b>	<b>(24,297)</b>
<b>4.4 Independent Sector</b>										
Independent Schools: 5% reduction to core costs in Independent settings (Based on discussions with top 12 providers)	0	0		●	●	(884)	0	0	0	(884)
Independent Schools: Ceasing 3-5 yr placements at the end of the summer term	0	0		●	●	(801)	(672)	(1,742)	(2,776)	(5,991)
<b>Independent Sector Total</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>(1,685)</b>	<b>(672)</b>	<b>(1,742)</b>	<b>(2,776)</b>	<b>(6,875)</b>
<b>4.5 Prevention of more Complex Support requirements</b>										
Prevention of more Complex Support requirements	(2,133)	0	2,133	●	●	(1,067)	(2,095)	(2,552)	(3,466)	(9,180)
<b>Prevention of more Complex Support Total</b>	<b>(2,133)</b>	<b>0</b>	<b>2,133</b>			<b>(1,067)</b>	<b>(2,095)</b>	<b>(2,552)</b>	<b>(3,466)</b>	<b>(9,180)</b>
<b>4.6 Reduce Transition Between Phases</b>										
Transition from Nursery to Primary	0	0	0	●	●	(170)	(170)	(170)	(170)	(680)
Transition from Primary to Secondary	0	0	0	●	●	(213)	(213)	(213)	(213)	(852)
Transition from Secondary to FE	0	0	0	●	●	0	0	0	0	0
<b>Transition phase total</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>(383)</b>	<b>(383)</b>	<b>(383)</b>	<b>(383)</b>	<b>(1,532)</b>
<b>4.7 Other</b>										
20 placements - Children's Social Care Funding - Education only costs would see savings for DSG (transfer of costs to LA and Health)	(1,400)	(700)	700	●	●	(700)	0	0	0	(1,400)
Adults Social Care Funding - Education only costs would see savings for DSG (transfer of costs to LA and Health)	0	0	0	●	●	0	(1,000)	0	0	(1,000)
Mainstream Schools: Claim AWPU back from mainstream schools if child receiving education other than at a mainstream school (as Exclusions)	(50)	(50)	0	●	●	(50)	(50)	(50)	(50)	(250)
<b>Other total</b>	<b>(1,450)</b>	<b>(750)</b>	<b>700</b>			<b>(750)</b>	<b>(1,050)</b>	<b>(50)</b>	<b>(50)</b>	<b>(2,650)</b>
<b>Total Management Plan Savings</b>	<b>(6,173)</b>	<b>(2,050)</b>	<b>4,123</b>			<b>(12,516)</b>	<b>(15,426)</b>	<b>(15,023)</b>	<b>(13,814)</b>	<b>(58,829)</b>